

Message Text

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21

ACTION AF-18

INFO OCT-01 EUR-25 EA-11 ISO-00 NSCE-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 AID-20 COME-00 EB-11

FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01

OMB-01 AGR-20 CU-04 INT-08 FEA-02 SCI-06 DRC-01 /232 W

----- 061515

R 021150Z APR 74

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 5084

INFO AMEMBASSY BLANTYRE

AMEMBASSY CANBERRA

AMCONSUL HONG KONG

AMEMBASSY KINSHASA

AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY NAIROBI

USLO PEKING

AMEMBASSY PORT LOUIS

AMEMBASSY PRETORIA

AMEMBASSY TAIPEI

AMEMBASSY TANANARIVE

AMEMBASSY WELLINGTON

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E.O.11652: NA/A

TAGS: PFOR, EAID, TZ, CH, AB, MP, NZ

SUBJECT: NYERERE RETURNS FROM 4-NATION TRIP

1. SUMMARY. PRESIDENT NYERERE HAS JUST COMPLETED FOUR NATION
(EXCLUDING BRIEF STOP IN INDIA), THREE WEEK TRIP TO MAURITIUS, NEW
ZEALAND, AUSTRALIA, AND PRC. UPON RETURN TO DAR ES SALAAM APRIL 1,
FON. MIN. MALECELA, WHO ACCOMPANIED NYERERE, HELD NEWS CONFERENCE
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IN WHICH HE SUMMARIZED RESULTS OF TRIP. KEY ANNOUNCEMENT WAS

AGREEMENT BY PRC TO PROVIDE 75 MILLION DOLLAR INTEREST FREE LOAN FOR DEVELOPMENT OF COAL AND IRON DEPOSITS IN TANZANIA. END SUMMARY.

2. MAURITIUS. NYERERE ATTENDED CELEBRATIONS ON OCCASION OF 6TH ANNIVERSARY OF MAURITIAN INDEPENDENCE. MAJOR AGREEMENTS INCLUDED: (A) MAURITIUS AGREED TO PROVIDE TANZANIA WITH SUGAR EXPERTS; (B) TANZANIANS WILL BE TRAINED IN MAURITIUS IN SUGAR TECHNOLOGY; AND (C) TANZANIA WILL SELL MEAT, RICE, AND FRUIT TO MAURITIUS UNDER LONG-TERM CONTRACT.

3. NEW ZEALAND. MAJOR AGREEMENTS INCLUDED: (A) NEW ZEALAND INDICATED WILLINGNESS TO HELP TANZANIA IN FIELD OF DAIRY FARM MANAGEMENT, INCLUDING PROVISION OF EXPERTS; (B) TANZANIA WILL IMPORT DAIRY CATTLE FROM NEW ZEALAND; (C) NEW ZEALAND AGREED TO SEND TEAM OF EXPERTS TO TANZANIA TO INVESTIGATE AREAS WHERE NEW ZEALAND CAN PROVIDE HELP; AND (D) NEW ZEALAND WILL SEND EXPERTS TO INVESTIGATE USE OF GEO-THERMAL ENERGY.

4. AUSTRALIA. MAJOR AGREEMENTS WERE: (A) AUSTRALIA AGREED TO ASSIST TANZANIA IN CATTLE RANCHING; (B) AUSTRALIA WILL HELP TANZANIA TO REVAMP EDUCATION SYSTEM SO THAT IT MEETS TECHNICAL NEEDS; (C) AUSTRALIA AGREED TO HELP TANZANIA DEVELOP MASTER WATER PLAN FOR SINGIDA REGION; (D) AUSTRALIA WILL PROVIDE EXPERTS IN BEACH SAND EXPLORATION AND OFFER SCHOLARSHIPS FOR BEACH SAND MINING; (E) TANZANIA NEGOTIATED PURCHASE OF 90,000 TONS OF WHEAT FROM AUSTRALIA TO MEET CURRENT SHORTAGE AND DISCUSSED POSSIBILITY OF PURCHASE OF 40,000 TONS MAIZE.

5. CHINA. MAJOR AGREEMENTS INCLUDED: (A) CHINA AGREED TO SUPPLY 30,000 TONS OF MAIZE; AND (B) PRC AND TANZANIA SIGNED AGREEMENT FOR 75 MILLION DOLLAR INTEREST FREE LOAN FOR DEVELOPMENT OF IRON AND COAL DEPOSITS AT TUKUYU AND CHUNYA IN SOUTHWEST TANZANIA. PROJECT INCLUDES CONSTRUCTION OF 257 KILOMETER RAIL LINE BETWEEN TUKUYU AND CHUNYA. AID WILL BE GIVEN OVER FIVE YEAR PERIOD BEGINNING JULY 1 THIS YEAR. LOAN WILL BE USED TO ASSIST TANZANIA "IN CONSTRUCTING COMPLETE PROJECTS, TO RENDER TECHNICAL COOPERATION, TO PROVIDE EQUIPMENT AND TO SUPPLY GENERAL COMMODITIES TO MEET LOCAL EXPENSES WHICH MAY BE INCURRED IN IMPLEMENTING PROJECTS." USED PORTION OF LOAN WILL BE PAID BY TANZANIA OVER PERIOD OF 10 YEARS FROM JULY 1, 1984 TO JUNE 30, 1994 "WITH SUCH LIMITED OFFICIAL USE

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TANZANIAN EXPORT COMMODITIES AND/OR CONVERTIBLE CURRENCIES AS MAY BE AGREED UPON BY TWO GOVERNMENTS." PRC WILL SEND ENGINEERING AND TECHNICAL PERSONNEL TO TANZANIA TO RENDER TECHNICAL ASSISTANCE. (TEXT OF AGREEMENT BEING POUCHED DEPT. AND PEKING.)

6. COMMENT: MAJOR "ACCOMPLISHMENT" OF 4-NATION TRIP WAS CLEARLY PRC LOAN TO DEVELOP COAL AND IRON DEPOSITS, MUCH TALKED ABOUT PROJECT SINCE TANZANIAN INDEPENDENCE. THIS LOAN IS

ESPECIALLY SIGNIFICANT FROM TWO POINTS OF VIEW. (A) IT ANSWERS QUESTION OF THOSE PERSONS ASKING WHAT WILL CHINA DO IN TANZANIA WHEN TAN-ZAM RAILROAD IS FINISHED. TRACK LAYING FOR TANZANIAN PORTION OF RAILROAD HAS ALREADY BEEN COMPLETED AND ONLY AUXILIARY AND FINISHING WORK REMAINS TO BE DONE. NEW LOAN WILL PERMIT CHINA TO RETAIN SUBSTANTIAL PRESENCE IN TANZANIA FOR SOME YEARS TO COME, IN PART BY HELPING TO BUILD ANOTHER RAILROAD* (B) IF THIS SIZEABLE LOAN ANSWERS ONE QUESTION, IT RAISES ANOTHER. WHEN WILL TANZANIA REACH POINT WHERE DEBT REPAYMENT POSES SERIOUS HARDSHIP? HARDLY WEEK GOES BY WITHOUT ANNOUNCEMENT OF NEW LOAN TO TANZANIA. IT NOW LOOKS LIKE DEBT REPAYMENT CRUNCH WILL COME IN 1980S. AMBASSADOR AND FIRST SECRETARY OF EMBASSY OF SWEDEN, WHICH AFTER PRC HAS SECOND LARGEST AID PROGRAM IN COUNTRY, HAVE COMMENTED TO US THAT THEY DOUBT WHETHER TANZANIA WILL BE ABLE TO REPAY LOANS. AS RESULT OF THEIR CONCERN ABOUT DEBT REPAYMENT SITUATION, SWEDEN, WHICH HAS ALREADY UNTIED PROCUREMENT, IS MOVING ENTIRELY TO GRANT PROGRAM IN TANZANIA.

CARTER

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Message Attributes

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Draft Date: 02 APR 1974
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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To: STATE
Type: TE
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